



City of Cincinnati  
DEPARTMENT OF  
COMMUNITY  
DEVELOPMENT  
AND PLANNING  
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• THE NEIGHBORHOOD CONNECTION •

# SMALL BUSINESS

## MICROCITY FUND LOANS

### MICROLOAN FINANCING

#### FLEXIBLE MICROLOAN FINANCING TO ESTABLISHED OR QUALIFIED EMERGING SMALL BUSINESSES WITHIN THE CITY OF CINCINNATI

#### PURPOSE:

- To facilitate growth and retention of small businesses
- To promote job creation and retention
- Enhance access to capital

Loans are underwritten, administered, and serviced by the Greater Cincinnati Microenterprise Initiative (GCMi) with input and direction from the City's Department of Community Development & Planning.

#### WHAT BUSINESSES ARE ELIGIBLE:

For profit businesses with five or fewer employees that have adequate historic or projected cash flow to repay the debt. The owner may be one of the employees.

#### INELIGIBLE BUSINESSES/ ORGANIZATIONS:

Loans cannot be made to social service agencies, to care for or rehabilitate people; religious institutions; non-profit service providers; or private clubs with membership restrictions. Loans cannot be used for venture capital investments or for any use prohibited by City, state, or federal regulation or law.

#### HOW MUCH CAN BE BORROWED:

- The maximum loan amount is \$35,000.

#### HOW CAN FUNDS BE USED:

Loan proceeds may be used for any legitimate business purpose including:

- Permanent Working Capital
- Machinery and equipment
- Tenant Improvements
- Construction/Renovations
- Acquisition of Real Estate

MicroCity Fund loans cannot be used to refinance existing debt.

#### WHAT ARE THE LOAN TERMS:

- The maximum loan term is 7 years with an interested rate fixed at Prime.

#### GENERAL REQUIREMENTS:

Loans are for eligible Community Development Block Grant Entitlement Program activities that meet National Objectives for job creation/retention, low-moderate income area benefit or prevention/elimination of slum and blight.

Borrowers must:

- Comply with City environmental requirements
- Maintain the business within City limits for the entire loan term
- Demonstrate ability to repay loan within a reasonable time period